MEDICLINIC GROUP

SECTION 172 STATEMENT

FOR THE 2023 FINANCIAL YEAR

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Under Section 172 of the United Kingdom Companies Act 2006 ('Section 172'), the directors of the Company have a duty to act in a manner that they consider, in good faith, would be most likely to promote the success of Mediclinic to the benefit of its shareholders as a whole, having regard for other key stakeholders and relevant matters. This section sets out a non-exhaustive list of examples of key decisions and discussions held during the year to illustrate how the directors of Mediclinic considered their duties under Section 172.

Where relevant, papers presented to the Board and its committees drew out directors' duties under Section 172 to ensure these were duly considered. The Board ensured meaningful engagement with the Group's key stakeholders, as set out on pages 35–39 of the 2023 Annual Report, and ensured their interests and feedback were considered within discussions and decisions made.

OFFER FOR MEDICLINIC

The most important decision taken during the year under review related to the unsolicited offer for the Company by the Consortium. At the start of the process, the Board received briefings on duties and responsibilities under Section 172 and other relevant rules from its advisers and ensured these considerations were factored into the Board's discussions and decisions throughout the process, which culminated in the Board recommending the acquisition to shareholders.

Throughout the process, the Board was mindful of the requirement under Section 172 to act fairly between the members of the Company and maintain a reputation for high standards of business conduct. Consequently, and consistent also with the rules governing the acquisition of a public company, Jannie Durand, the director representing Remgro on the Board, was excluded from discussions and decisions relating to the transaction.

The remaining directors (the 'Independent Directors') considered the financial merits of the Consortium's offer and implied valuation of the Group's current business and future prospects and risks. The Chair, Group CEO, Group CFO and the Company's advisers met with significant institutional investors and relayed their views to the Independent Directors. The views obtained through this engagement informed the Independent Directors' decisions throughout the process and resulted in the Independent Directors rejecting three proposals before finally agreeing to recommend the acquisition. Following careful consideration of the Group's value against the improved price proposed by the Consortium in their fourth proposal, the Independent Directors concluded that the terms proposed were fair and provided Mediclinic's shareholders the opportunity to crystallise the value of their holdings today and realise possible future value creation through the significant premium to the undisturbed price achieved. Shareholders had the opportunity to express their views and vote on the transaction at specially convened Court and General Meetings, with shareholders voting overwhelmingly in favour of the acquisition.

Another key reason for the Independent Directors recommending the acquisition to shareholders was that joint offerors Remgro and SAS are strongly aligned in their common desire to invest in the private healthcare sector for the long term and also share a deep appreciation for the importance of access to high-quality healthcare and the corresponding positive societal impact. The Board concurred that private ownership under the Consortium's well-capitalised and closely aligned shareholder group was better placed than the public capital markets to deliver the investment required and enable management to focus on executing their strategic vision for the business. The proposed arrangements would best allow the Company to prosper over the long term, for the benefit of all its key stakeholders, including clients, employees, suppliers and the communities in which the Group operates. Key to the Board gaining comfort on this point were the intentions that were formally and publicly made by the Consortium regarding the business, management, employees, pension schemes, research and development, and locations.

Throughout the acquisition process, the Independent Board ensured there was clear communication to the Group's employees about the acquisition. The Group CEO in particular discussed the acquisition regularly with employees across the Group, primarily through town hall meetings and regular correspondence.

The Board also encouraged management to continue to focus on delivering business as usual and executing the Group's strategy to ensure no detriment to clients and patient safety, or deterioration in relationships with suppliers as a result of the acquisition process. The Board closely monitored the clinical performance indicators and key risks of the business, probing for indications of any deterioration as a result of the acquisition process. The Board commended management for the control maintained over the business despite the strain imposed by the prolonged process.

The Board, through the executive directors and the Company's advisers, engaged appropriately with regulators during the offer and responded to questions and requests raised by them. The outcome of this engagement ensured that all regulatory approvals required were obtained, allowing the acquisition to complete in May 2023.

ESG MATTERS

The ESG Committee and the Board as a whole continued to focus closely on environmental and social matters throughout the year. The Committee:

- reviewed, provided input and approved the Group's Modern Slavery and Human Trafficking Statement;
- conducted the biannual review of Mediclinic's key stakeholders, the effectiveness of methods of engagement with them and the key issues these identified; and
- monitored and provided feedback on the Group's ESG strategy and progress against its objectives, employee engagement, and progress on diversity and inclusion across the Group.